



**STATE PROCUREMENT OFFICE
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS**

STATE PROCUREMENT OFFICE
STATE OF HAWAII
STATE OF HAWAII

10 APR 28 10:41

1. TO: Chief Procurement Officer

2. FROM: DHS/Hawaii Public Housing Authority

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:

Installation of three security cameras and one security camera system in the Tower A & B elevators at Kuhio Park Terrace.

4. Name of Vendor: Diebold, Inc.

Address: 3375 Koapaka St., Suite B-270
Honolulu, Hawaii 96819

5. Price:

Est. \$10,000

6. Term of Contract: From: Upon approval To: 5/31/2011

7. Prior Exemption Ref. No.

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:
See attached.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

The Hawaii Public Housing Authority issued a competitive invitation for bids and received two bids; one was rejected due to non-submission of the required bid security. The selection of Diebold, Inc. is based on the fact that they are installing a security camera system in the lobby area of each floor in the Kuhio Park Terrace Towers A & B.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

This exempted procurement requires approval by the HPHA's Office of the Executive Director, Procurement Office, and Budget Office. No contract terms or conditions will be exempted. For example, the contractor will still be required to comply with the requirements for certification of compliance with the Department of Labor and Industrial Relations, Department of Commerce and Consumer Affairs, State and Federal tax, and General Liability, Auto and Workers' Compensation insurance requirements.

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:		
Name	Position	Involvement in Process
Barbara E. Arashiro	Executive Assistant	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Rick Sogawa	Acting Procurement Officer	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Mark Buflo	Budget	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Lydia Camacho	Construction Mgmt. Branch Chief	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to:	Department: Hawaii Public Housing Authority
	Contact Name: Rick Sogawa
	Phone Number: 808 832-6038
	Fax Number: 808 832-6039

Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*


 Department Head

4/19/10
 Date

Reserved for SPO Use Only	
15. Date Notice Posted <u>4/29/10</u>	
<p>The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to:</p> <p align="center"> Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119 </p>	
<p>Chief Procurement Officer's comments:</p> <p align="center"> The request lacks justification for an exemption. Department shall issue a new solicitation using the applicable procurement method clearly addressing the specific requirements, term of contract, etc. </p>	

16. ☐ APPROVED ☒ DISAPPROVED ☐ NO ACTION REQUIRED


 Chief Procurement Officer Date 6/23/2010

Attachment (SPO-07)
Request for Exemption from Chapter 103D, HRS

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

In November 2008, the Hawaii Public Housing Authority issued a competitive invitation for bids for the installation and 3-year maintenance of a security camera system in the Kuhio Park Terrace Towers A & B elevators. There are a total of six elevators; three in each tower. Two companies submitted a sealed bid prior to the required due date and time. Security Systems Hawaii was the apparent lowest responsible and responsive bidder and was awarded a contract. In August 2009, Security Systems Hawaii informed the HPHA that they would be not be able to meet the performance bond requirements and forfeited their bid security. APN Alarm Company, the second low bidder was deemed non-responsive and rejected.

Due to the large workload (i.e. American Recovery and Reinvestment Act funds, federal/state capital funds) and staffing challenges (i.e. furlough days, vacant positions) in the Construction Management Branch and the Contract and Procurement Office, the HPHA did not issue another competitive invitation for bids.

Diebold, Inc. is currently under contract with the HPHA to install a security camera system in the lobby area on each floor in the Kuhio Park Terrace Towers A & B. The contract amount is \$660,028. The installation of a security camera system in the elevators can be tied into the security camera system for the elevator. Having Diebold, Inc. install the camera will avoid having to install a second camera system.

For informational purposes, the HPHA has contracted with KONE, Inc. to repair and modernize the elevators in the Kuhio Park Terrace Towers A & B. Due to the need to have two elevators operational at all times for tenant use, the work to each elevator is being done in phases. The repair and modernization of the first elevator in each tower is projected to be completed by the end of April 2010. However, due to safety concerns, a fully operational elevator is dependent on having a functional security camera system. Until such security camera system is in place, the elevator will not be operational. This would severely impact KONE, Inc.'s schedule and work on the next elevator will not be able to begin until the first elevator is operational.

It would not be practicable to issue another competitive invitation for bids as this would delay the installation of the elevator security camera system and delay the repair and maintenance of the remaining elevators. The HPHA's Construction Management Branch has lost two project engineers in the last four months and filling the vacancy will not occur anytime soon. The issuance of a competitive sealed bid would not occur for another two-three months based on the workload of the remaining project engineers. The current elevators are severely in need of repair and are constantly breaking down. Adding the additional work to Diebold Inc.'s existing contract will allow KONE, Inc. to begin work on the next elevator as scheduled.

The HPHA is requesting to enter into a supplemental contract with Diebold, Inc. to increase the amount of compensation by \$10,000 and increase the scope of service to install the security camera system in the Kuhio Park Terrace Towers A & B elevators.